

EVART TOWNSHIP
OSCEOLA COUNTY, MICHIGAN

FINANCIAL STATEMENTS

MARCH 31, 2007

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name EVART TOWNSHIP	County OSCEOLA
Audit Date MARCH 31, 2007	Opinion Date AUGUST 29, 2007	Date Accountant Report Submitted to State: SEPTEMBER 30, 2007	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

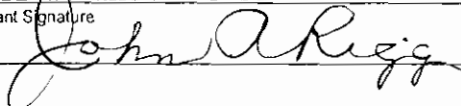
Certified Public Accountant (Firm Name) JOHN A. RIGG, CPA			
Street Address 4012 W. WACKERLY STREET		City MIDLAND	State MI
Accountant Signature 		ZIP 48640	Date AUGUST 29, 2007

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Evart Township Board
Osceola County, Michigan

I have audited the accompanying general purpose financial statements of Evart Township, Osceola County, as of and for the year ended March 31, 2007, as listed in the table of contents. These general purpose financial statements are the responsibility of Evart Township, Osceola County, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements of Evart Township are not reasonably determinable.

In my opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Evart Township, State of Michigan, as of March 31, 2007, or the changes in its financial position or its cash flows for the year then ended.


John A. Rigg
Certified Public Accountant

Midland, Michigan
August 29, 2007

EVART TOWNSHIP
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 MARCH 31, 2007

Statement 1.

	GOVERNMENTAL FUND TYPE	FIDUCIARY FUND TYPE	ACCOUNT GROUP	
	General	Trust and Agency	General Fixed Assets	Totals
<u>ASSETS</u>				
Cash in bank	\$ 17,175.81	\$ 751.37	\$	\$ 17,927.18
Certificates of deposit	133,808.34			133,808.34
Taxes receivable	5,377.77			5,377.77
Due from other funds	751.37			751.37
Fixed assets			41,781.13	41,781.13
<u>Total assets</u>	<u>\$157,113.29</u>	<u>\$ 751.37</u>	<u>\$ 41,781.13</u>	<u>\$199,645.79</u>
<u>LIABILITIES</u>				
Employee withholding and accrued payroll taxes	\$ 94.62	\$	\$	\$ 94.62
Due other funds		751.37		751.37
<u>Total liabilities</u>	<u>\$ 94.62</u>	<u>\$ 751.37</u>	<u>\$</u>	<u>\$ 845.99</u>
<u>FUND EQUITY</u>				
Investment in general fixed assets	\$	\$	\$ 41,781.13	\$ 41,781.13
Fund balance				
Unreserved:				
Undesignated	157,018.67			157,018.67
<u>Total fund equity</u>	<u>\$157,018.67</u>	<u>\$</u>	<u>\$ 41,781.13</u>	<u>\$198,799.80</u>
<u>Total liabilities and fund equity</u>	<u>\$157,113.29</u>	<u>\$ 751.37</u>	<u>\$ 41,781.13</u>	<u>\$199,645.79</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Statement 2.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 2007

REVENUES

Taxes - property	\$ 35,310.09
Administration fees	4,213.20
State shared income	103,746.33
Metro authority	3,342.92
Interest earned	4,965.80
Rental of facilities	1,040.00
Miscellaneous	14.88
<u>Total revenues</u>	<u>\$152,633.22</u>

EXPENDITURES

General government	\$ 86,488.12
Public safety	28,579.87
Highways and streets	4.55
Culture and recreation	12,472.04
<u>Total expenditures</u>	<u>\$127,544.58</u>

<u>Excess revenues over</u> <u>(under) expenditures</u>	\$ 25,088.64
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Fund balance - beginning	<u>131,930.03</u>
Fund balance - ending	<u>\$157,018.67</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Statement 3.

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 31,000.00	\$ 35,310.09	\$ 4,310.09
Administration fees	300.00	4,213.20	3,913.20
State shared revenue	105,000.00	103,746.33	(1,253.67)
Metro authority	3,600.00	3,342.92	(257.08)
Interest earned	200.00	4,965.80	4,765.80
Rental of facilities	1,500.00	1,040.00	(460.00)
Miscellaneous	300.00	14.88	(285.12)
<u>Total revenues</u>	<u>\$141,900.00</u>	<u>\$152,633.22</u>	<u>\$ 10,733.22</u>
<u>EXPENDITURES</u>			
General government	\$ 93,700.00	86,488.12	\$ 7,211.88
Public safety	28,900.00	28,579.87	320.13
Highways and streets	6,820.00	4.55	6,815.45
Culture and recreation	12,480.00	12,472.04	7.96
<u>Total expenditures</u>	<u>\$141,900.00</u>	<u>\$127,544.58</u>	<u>\$ 14,355.42</u>
<u>Excess revenues over</u> <u>(under) expenditures</u>	<u>\$ -0-</u>	<u>\$ 25,088.64</u>	<u>\$ 25,088.64</u>
 Fund balance - beginning	 <u>131,930.03</u>	 <u>131,930.03</u>	 <u>-0-</u>
Fund balance - ending	<u>\$131,930.03</u>	<u>\$157,018.67</u>	<u>\$ 25,088.64</u>

See accompanying notes to financial statements.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Evert Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Description of Reporting Entity

Evert Township was organized prior to 1900 and covers an area of 36 square miles with the township's seat located within the boundaries of the township. The township operates under the directorship of a township board consisting of five members. The township provides the following services: public safety, highways and streets, sanitation, public improvements and general and administrative services.

B. Fund Accounting

The accounts of Evert Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the township in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Agency funds are custodial in nature and do not involve measurements or results of operations.

C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined on a basis of reporting only the current assets on the balance sheet.

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in governmental funds. No depreciation has been provided on general fixed assets. Due to lack of historical costs on assets acquired prior to September 1, 1970, their values have been included at nominal amounts.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds and fiduciary funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become available as current assets.

E. Budgets and Budgetary Accounting

Activity based budget for the general fund is adopted annually on a basis consistent with generally accepted accounting principles. Any budget amendments are approved by the township board during regular board meetings.

F. Cash and Interest-Bearing Deposits and Investments

Investments are carried at cost. Investments of the township are at one bank in the name of Evart Township. Michigan Compiled Laws, Section 129.91, authorizes the township to deposit and invest in the accounts of federally insured banks, credit unions and savings and loan associations. Investments can also be made in bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, which are guaranteed as to principal and interest by the United States, including securities issued by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund. Michigan law prohibits security in the form of collateral, surety bonds, or other forms for the deposit of public money. Attorney General's Opinion No. 6168 states that public funds may not be deposited in financial institutions located in states other than Michigan. The township's deposits are in accordance with statutory authority.

Risk disclosures for the township's cash investments are as follows:

<u>Deposits</u>	<u>Carrying Amounts</u>	<u>Bank Balances</u>
Insured	\$100,000.00	\$100,000.00
Uninsured	51,735.52	68,467.33
	<u>\$151,735.52</u>	<u>\$168,467.33</u>

G. Other Significant Data

1. Property taxes attach as an enforceable lien on property as of December 1. Taxes are levied on December 1 and payable on February 14. The township bills and collects its own property taxes and also taxes for other governmental units. Collection of taxes and remittance of same are accounted for in the tax agency fund. Property taxes levied include .7983 mill for general operations for the current year.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

G. Other Significant Data (Continued)

The delinquent real property taxes of Evart Township are purchased by the County of Osceola. They have been recorded as revenue for the current year. The 2006 state equalized valuation and taxable valuation totaled \$72,228,450 and \$44,290,226, respectively.

2. A summary of changes in general fixed assets follows:

	Balance 3-31-05	Additions	Deletions	Balance 3-31-07
Land	\$ 1.00	\$	\$	\$ 1.00
Land - cemetery	1.00			1.00
Building	31,870.77			31,870.77
Equipment	9,908.36			9,908.36
<u>Totals</u>	<u>\$41,781.13</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$41,781.13</u>

3. Statements of Revenues, Expenditures and Changes in Fund Balances, Statements 2. and 3., are not shown as combining statements since the general fund is the only governmental fund type in Evart Township.
4. The Statement of Changes in Assets and Liabilities - Tax Agency Fund, Statement 5., is not shown as a combining statement. This is shown as a separate statement since only one agency fund exists in Evart Township.
5. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined statements, of certain information concerning individual funds including:

- a. Summary disclosures of changes in general fixed assets by major asset class. See Note G.2. for this information.
- b. Deficit fund balances of individual funds. No fund was in a deficit position.

6. Retirement Commitments

Evart Township participates in the Municipal Retirement System, Inc., under the Michigan Township Participating Plan. The plan is a defined contribution money purchase pension plan covering substantially all employees and is administered by an insurance company. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Such benefits depend solely on the amount contributed to the participant's account and on returns earned on investments of those contributions. Vesting in the plan is 100% immediate.

The township makes the entire contribution to the plan with no employee contribution provision. The current year contribution to the plan is \$5,562.22.

The current year payroll covered by the pension plan is \$46,540.00.
The total current year payroll for all employees is \$48,106.00.

EVART TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

7. Vacation and Sick Leave

The township does not offer its employees paid vacation or sick leave benefits.

8. Risk Financing and Related Insurance Issues

The categories of risk of loss to which the township is exposed and for which it has purchased insurance are as follows: property damage, liability, accident, workers compensation and theft. There have been no significant reductions in insurance coverage as compared to the previous year.

9. Jointly Governed Organizations

The townships of Evert, Orient, Osceola, Sylvan and the City of Evert operate the Evert Area Joint Fire Department. Each municipality agrees to levy or contribute tax monies each year the amount of up to one mill based upon the current state equalized valuation in each municipality. These funds are used for the cost of building, equipping and maintaining the Evert Area Joint Fire Department.

The township selects one representative to serve on the Fire Commission which governs the operations of the fire department.

During the year ended March 31, 2007, the township contributed \$28,084.87 as its portion of operating costs.

The financial statements of the Evert Area Joint Fire Department Fund are included as a component unit of the City of Evert, Michigan.

The townships of Evert, Osceola and the City of Evert operate the Evert Public District Library. Each municipality agrees to levy or contribute tax monies each year based upon the current state equalized valuation in each municipality.

The township selects two representatives to serve on the board which governs the operations of the library.

During the year ended March 31, 2007, the township contributed \$12,472.04 as its portion of operating costs.

The Evert Public District Library is an independent organization which submits its own audited financial statements.

SUPPLEMENTARY INFORMATION

EVART TOWNSHIP

Statement 4.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED MARCH 31, 2007

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Property tax	\$ 31,000.00	\$ 35,310.09	\$ 4,310.09
State revenue sharing	105,000.00	103,746.33	(1,253.67)
Interest earned	200.00	4,965.80	4,765.80
Rental of facilities	1,500.00	1,040.00	(460.00)
Metro authority	3,600.00	3,342.92	(257.08)
Administration fees	300.00	550.94	250.94
Delinquent tax, interest and administration fees		3,662.26	3,662.26
Miscellaneous	300.00	14.88	(285.12)
<u>Total revenues</u>	<u>\$141,900.00</u>	<u>\$152,633.22</u>	<u>\$ 10,733.22</u>
<u>EXPENDITURES</u>			
Township board	\$ 23,955.00	\$ 21,365.53	\$ 2,589.47
Supervisor	3,840.00	3,840.00	-0-
Assessor	20,800.00	19,623.53	1,176.47
Elections	3,760.00	3,545.55	214.45
Clerk	14,180.00	13,481.95	698.05
Board of review	1,060.00	847.41	212.59
Treasurer	14,930.00	14,303.38	626.62
Cemetery	600.00	600.00	-0-
Township hall	9,100.00	7,714.30	1,385.70
Legal	675.00	366.47	308.53
Fire protection	28,900.00	28,579.87	320.13
Highways and streets	6,820.00	4.55	6,815.45
Library	12,480.00	12,472.04	7.96
Parks and recreation	800.00	800.00	-0-
<u>Total expenditures</u>	<u>\$141,900.00</u>	<u>\$127,544.58</u>	<u>\$ 14,355.42</u>
<u>Excess revenues over (under) expenditures</u>	<u>\$ -0-</u>	<u>\$ 25,088.64</u>	<u>\$ 25,088.64</u>
Fund balance - beginning	131,930.03	131,930.03	-0-
Fund balance - ending	<u>\$131,930.03</u>	<u>\$157,018.67</u>	<u>\$ 25,088.64</u>

See accompanying notes to financial statements.

EVART TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
TAX AGENCY FUND
FOR THE YEAR ENDED MARCH 31, 2007

Statement 5.

	<u>Balance</u> <u>3-31-06</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-07</u>
<u>ASSETS</u>				
Cash in bank	<u>\$ 6,888.23</u>	<u>\$766,211.05</u>	<u>\$772,347.91</u>	<u>\$ 751.37</u>
<u>LIABILITIES</u>				
Due to general fund	\$ 3,777.88	\$ 30,632.59	\$ 33,659.10	\$ 751.37
Due to Osceola County	695.30	184,622.42	185,317.72	-0-
Due to Evart Public Schools	1,640.70	396,861.93	398,502.63	-0-
Due to Mecosta-Osceola Intermediate Schools	372.21	153,356.46	153,728.67	-0-
Due to State of Michigan	402.14	335.70	737.84	-0-
Tax overpayments	<u>-0-</u>	<u>401.95</u>	<u>401.95</u>	<u>-0-</u>
<u>Total liabilities</u>	<u>\$ 6,888.23</u>	<u>\$766,211.05</u>	<u>\$772,347.91</u>	<u>\$ 751.37</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Schedule 1.

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED MARCH 31, 2007

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>TOWNSHIP BOARD</u>			
Salaries	\$	\$ 3,740.00	\$
Printing and publishing		23.00	
Memberships and dues		891.70	
Education and training		180.00	
Office supplies and expense		34.06	
Insurance		5,337.00	
Pension		5,759.22	
Trash day		5,309.80	
Mileage		28.80	
Prior year tax adjustments		61.95	
<u>Totals</u>	<u>\$ 23,955.00</u>	<u>\$ 21,365.53</u>	<u>\$ 2,589.47</u>
<u>SUPERVISOR</u>			
Salary	\$	\$ 3,740.00	\$
Deputy supervisor		100.00	
<u>Totals</u>	<u>\$ 3,840.00</u>	<u>\$ 3,840.00</u>	<u>\$ -0-</u>
<u>ASSESSOR</u>			
Salary	\$	\$ 13,750.00	\$
Office supplies		617.70	
Postage		887.39	
Mileage and travel		440.94	
Computer tax billing		3,157.50	
Computer support services		635.00	
Education and training		135.00	
<u>Totals</u>	<u>\$ 20,800.00</u>	<u>\$ 19,623.53</u>	<u>\$ 1,176.47</u>
<u>ELECTIONS</u>			
Salaries	\$	\$ 1,396.00	\$
Printing and publishing		256.12	
Education and training		810.00	
Machine services		600.00	
Mileage and travel		136.40	
Supplies		347.03	
<u>Totals</u>	<u>\$ 3,760.00</u>	<u>\$ 3,545.55</u>	<u>\$ 214.45</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

GENERAL FUND

Schedule 1.

(Continued)

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>CLERK</u>			
Salary	\$	\$ 11,990.00	\$
Deputy clerk		100.00	
Postage		114.00	
Education and training		435.00	
Mileage and travel		62.40	
Office supplies		211.36	
Computer support services		389.00	
Payroll taxes		180.19	
<u>Totals</u>	<u>\$ 14,180.00</u>	<u>\$ 13,481.95</u>	<u>\$ 698.05</u>
<u>BOARD OF REVIEW</u>			
Salaries	\$	\$ 705.00	\$
Printing and publishing		138.00	
Payroll taxes		4.41	
<u>Totals</u>	<u>\$ 1,060.00</u>	<u>\$ 847.41</u>	<u>\$ 212.59</u>
<u>TREASURER</u>			
Salary	\$	\$ 11,990.00	\$
Deputy treasurer		100.00	
Office supplies		666.85	
Computer support services		660.00	
Postage		692.73	
Mileage and travel		148.80	
Education and training		45.00	
<u>Totals</u>	<u>\$ 14,930.00</u>	<u>\$ 14,303.38</u>	<u>\$ 626.62</u>
<u>CEMETERY</u>			
Contribution to City	\$ 600.00	\$ 600.00	\$ -0-
<u>TOWNSHIP HALL</u>			
Outside services	\$	\$ 1,070.00	\$
Fuel and gas		869.75	
Repair and maintenance supplies		712.09	
Electricity		1,130.62	
Repair and maintenance		1,622.00	
Improvements		2,309.84	
<u>Totals</u>	<u>\$ 9,100.00</u>	<u>\$ 7,714.30</u>	<u>\$ 1,385.70</u>

See accompanying notes to financial statements.

EVART TOWNSHIP

Schedule 1.
(Continued)

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET

FOR THE YEAR ENDED MARCH 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>LEGAL</u>	<u>\$ 675.00</u>	<u>\$ 366.47</u>	<u>\$ 308.53</u>
<u>FIRE PROTECTION</u>			
Shared operating costs	\$	\$ 28,084.87	\$
Fire board meetings		495.00	
<u>Totals</u>	<u>\$ 28,900.00</u>	<u>\$ 28,579.87</u>	<u>\$ 320.13</u>
<u>HIGHWAYS AND STREETS</u>			
Maintenance and improvements	<u>\$ 6,820.00</u>	<u>\$ 4.55</u>	<u>\$ 6,815.45</u>
<u>LIBRARY</u>			
Contracted services	<u>\$ 12,480.00</u>	<u>\$ 12,472.04</u>	<u>\$ 7.96</u>
<u>PARKS AND RECREATION</u>			
Recreation	<u>\$ 800.00</u>	<u>\$ 800.00</u>	<u>\$ -0-</u>
 <u>Total expenditures</u>	 <u>\$141,900.00</u>	 <u>\$127,544.58</u>	 <u>\$ 14,355.42</u>

See accompanying notes to financial statements.

JOHN A. RIGG
CERTIFIED PUBLIC ACCOUNTANT
4012 W. WACKERLY STREET
MIDLAND, MICHIGAN 48640-2298

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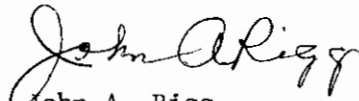
To the Honorable Members of the
Evart Township Board
Osceola County, Michigan

COMMENTS AND RECOMMENDATIONS

1. Township books and records are maintained on a cash basis and are converted to a modified accrual basis for report purposes. This means that the entire 2006 property tax levy is recorded as income for the year ended March 31, 2007.
2. The financial statements of the township were not converted to the GASB 34 format of presentation.
3. It was noted that the township has no formal rental agreements with parties renting the township hall. I recommend that the township use written agreements and have furnished the clerk with a copy of an agreement used by another township.
4. I wish to again thank the township personnel for their cooperation and assistance during the course of the audit.

If you have any questions, please contact me.

Sincerely,



John A. Rigg
Certified Public Accountant

Midland, Michigan
August 29, 2007